

# GROUP 3 WORKSHEET

## Contracting Tax Factoring Worksheet – CITY LAND DEDUCTION AT FAIR MARKET VALUE (FMV)

Assumption: No tax amount is specified in the contract.

### TAX RATES AND FACTOR

State & County Tax Rate.....		* Refer to the TRANSACTION PRIVILEGE AND OTHER TAX RATE TABLES, Table 1. Place in Column G of the TPT-1.
City Tax Rate.....		* Refer to the Transaction Privilege and Other Tax Rate Tables.
Combined RATE.....		* Add the City Rate to the State & County Rate.
Combined FACTOR.....		* Find the factor for the COMBINED RATE ABOVE on the TAX FACTORS FOR CONTRACTORS table.

ITEM	SOURCE	AMOUNT	DESTINATION
1. Gross Amount of Contract or Progress Payment	Contract/Invoice/Cash Receipts		Front of TPT-1, Column D
2. Land at Fair Market Value	Appraisal or Other Documents		Back of TPT-1, Schedule A, Deduction Code 518

### CALCULATIONS

3. Calculation Base	Line 1 minus Line 2		
4. Factored Tax on Calculation Base	Combined Factor times Line 3		Back of TPT-1, Schedule A, Deduction Code 551
5. Basis for Prime Contractor Reduction	Line 3 minus Line 4		
6. Prime Contractor Reduction	Line 5 times 35%		Back of TPT-1, Schedule A, Deduction Code 502

### FOR THE RETURNS

7. Total Deductions	Add Lines 2, 4, and 6		Front of TPT-1, Column E
8. Taxable Amount	Line 1 minus Line 7		Front of TPT-1, Column F
9. State & County Tax	State & County Tax Rate times Line 8		Front of TPT-1, Column H
10. City Tax	City Tax Rate times Line 8		Front of TPT-1, City line, Column H or City return

For Assistance call (602) 255-2060 or Toll Free (Arizona Only, outside of Maricopa Only) 1-800-843-7196  
KEEP THIS WORKSHEET WITH YOUR RECORDS. PLEASE DO NOT SEND IT WITH YOUR RETURN.

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